March 26, 2018

The Public Service Commission of South Carolina

Attn: Clerk's Office

101 Executive Center Drive, Suite 100 ECEIVE

Re: PSC Docket No. 2017-292-WS Corrections and Clarifications to Testimony of Public Witness, Linda H. Fick, March 6, 2018, and Hearing Exhibit 4, Written Summary of

Testimony with Exhibits

Members of the Commission:

Upon reviewing the transcript of my testimony as a public witness at the York County public hearing held on March 6, 2018, in Lake Wylie, SC, in the matter of PSC Docket No. 2017-292-WS, and the filing of "Hearing Exhibit 4", being a written Summary, dated March 5, 2018, of my testimony with attached Exhibits, I found contradictory errors made between my oral testimony and the written summary. Also, I apparently omitted to include page 2, of Exhibit D to my written Summary. As needed, I have attempted clarification of matters stated in oral testimony and the written Summary, including responses to questions by Commission members; and a significant discrepancy or miscommunication of data discovered in talking with a CWS representative following the March 6, 2018, York County public hearing. I sincerely apologize to the members of the Commission for the necessity of these corrections and clarifications, and do appreciate the opportunity to submit the following:

- (1) Addition: Enclosed with this letter as Attachment A is the missing page 2, of Exhibit D to my written Summary (March 5, 2018), showing photos marked 6 and 8 referenced in the Summary at page two, first paragraph. (I either failed to include this Exhibit page in the materials marked as "Hearing Exhibit 4", or the page was missed in the photocopy processing for filing.) These pump houses (pictures 4, 6, and 8) are the above-ground structures for the three wells in Shandon Subdivision; and are discussed below as a problem of miscommunication between CWS, myself, and Shandon residents/customers in general.
- (2) <u>Correction of Contradiction</u>: The statement in my oral testimony, at transcription page 50, line 12, is correct: Per CWS information at the May 30, 2017, meeting, the water supply tanker carries 6,000 gallons of water. In my Summary of testimony (3/5/18) the question in mid-continuation of the first paragraph should be corrected to read "6,000" (not 10,000), questioning why a smaller capacity supply tanker was not being used.
- (3) Correction: At line 24, page 54 of the transcript of testimony, the name of the landowner is Mr. "Coggins" (please see Summary letter, 3/5/2018, page 3, continuation of paragraph, fourth line from the paragraph's end). (I either misspoke or did not speak distinctly, and should have spelled the name to assist Ms. Wheat, the court reporter.) Clarification: In responding to questions by Commissioner Fleming, I should have clarified that the two test wells on Mr. Coggins' property (adjacent to Shandon Subdivision) were not started until the late fall of 2017 and concluded with unsuccessful results in early winter, 2018 (February?). To date, there have been no attempts to deepen Shandon wells #1 or #3, to possibly increase water output. Well #1 was removed from service in November, 2015.
- (4) Confirmation of Date: In response to a question by Chairman Whitfield, shown within the transcript of my testimony at page 57, lines 15-21, I misstated (line 17) that the meeting between CWS and Shandon residents took place on "May 30<sup>th</sup> of 2016". With the Chairman's assistance, I realized I had misspoken and corrected the year to "2017" (lines 19-21). The date of the open meeting was: May 30<sup>th</sup> of 2017.

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Editing Corrections: In my written Summary of Testimony (3/5/18), at page 2, the last sentence of the second paragraph, is an incomplete thought to myself in terms of composition, and needed to be re-checked for accuracy, etc. This composition/editing detail should have appeared as the first sentence of the next (third) paragraph on that page, as an introduction to the CWS and Shandon customers' meeting of May 30, 2017, as follows: "The first offer of an explanation by CWS to Shandon customers concerning the status of the subdivision's water problems was by an undated letter, received on May 22, 2017, from CWS/Utilities, Inc., offering a meeting with CWS representatives to Shandon residents to learn what was being done with respect to our water supply. See Attachment B." (You will note that my original "Received 6/22/17" notation was not logical; and that upon closer examination of the envelope's metered postage data, showing a date of May 18, 2017, I had incorrectly entered a "6" (for June) rather than a "5" (for May). (See corrections shown on Attachment B.)

- (5) Addition: It should be explained that in the written Summary (3/5/18), at page two, last sentence of the first paragraph, that the \$24,122.51 amount spent by Utilities Services of SC (USSC, predecessor to CWS), during the time of Shandon storage tank replacement (June, 2010 until May, 2012), was primarily spent on the three pump houses, and not the wells, per se. Invoices filed by CWS with ORS in the rate increase case, PSC Docket No. 2013-201-WS, dated 1/27/11, 2/22/11, and 3/3/11, for pump houses at wells #1, #2, and #3, respectively, in the amount of \$7,500.00 each, totaling \$22,500.00 of the \$24,122.51. There were no invoices showing any detailed inspections of or repairs to the well casings at that time.

  Addition: Please note that with respect to the Davis Water Service invoice in the amount of \$16,600.00 for tanker rental and water delivery services to Shandon, from 11/08/15 to 11/30/15 (Exhibit F, and discussed in the second paragraph, page two of the written Summary, 3/5/18), that a total of \$13,400.00 represented charges for supply tanker preparation and daily rental (\$500.00 per day); whereas only two actual water deliveries occurred (11/21/15 and 11/27/15) billed at \$1,600.00 each, for a total cost of \$3,200.00.
- (6) Discrepancy: Following the York County public hearing of March 6, 2018, Mr. Mike Davis, Area Manager for CWS, advised me that I was in error in with regard to the numerical designations of the three Shandon wells. This was very surprising to me, and in our discussion I explained to Mr. Davis that I had been to the ORS office in Columbia, SC, and had examined the Shandon subdivision plat on file showing the placement of all water lines, sewer lines, wells, and wastewater treatment area (lagoon), and believed my identification of the wells by number was accurate. (This visit to review the required filing of water and sewer utility line placement was made in connection with the USSC rate increase application under Docket No. 2013-201-WS, and I was assisted by Mr. Chad Campbell of the ORS.) Based on this official record, and many years of USSC invoices, and the historic, collective understanding of residents of Shandon (many of whom have been residents/homeowners since the subdivision was first opened), my reference to the wells and their physical location has always been as follows: Well No. 1: main supply well, located at the Shandon storage tank, being on the western side of the Shotwell property at 3031 Shandon Road; Well No. 2: one of two auxiliary wells, located on the Shugart property at 3056 Shandon Road, just west of the driveway; Well No. 3: second auxiliary well, located on leased property just outside the Shandon subdivision, on the SW side of Shandon Road, just before entry into the subdivision. (Please see Attachment C, pictures of the three pump houses on one page, compiled from Summary of Testimony (3/5/18), Exhibit D, pages 1 and 2, being pictures 4, 6, and 8.)

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Mr. Davis advised me that CWS had changed the well number designations to an "order of location" based on entry into the subdivision, and that Well No. 3 is now referred to as Well No. 1. (He did not specifically note the CWS re-designation of the other two wells, but under his order of "approach" method, I assume the storage tank well (formerly No. 1), is now CWS well No. 2, and the Shugart well (formerly No. 2) is now CWS well No. 3?) I do not know if CWS has filed a revised plat of Shandon subdivision water lines, sewer lines, well designations, and wastewater treatment plant; but I do know that his statement the evening of March 6, 2018, was the first I was aware of this re-designation by CWS, and was also unknown to other Shandon residents with whom I have spoken. This "discrepancy" is very disconcerting and confusing when applied to the discussions and information (or non-information) from CWS representatives to Shandon residents/customers. Under these circumstances, I realize portions of my testimony and written Summary of testimony to the Commission concerning the Shandon wells may now be confusing and possibly inaccurate. This was never my intention, and I will attempt to gain clarification on this and other issues, although answers will not be available before the Commission's final disposition of Docket No. 2017-292-WS. Miscommunication: At the meeting with CWS on May 30, 2017, Shandon customers were concerned about the expense and efficiency of temporary water supply by tanker through Davis Water Service, of Randleman, NC. Questions and suggestions raised by the Shandon residents included, as previously stated: why was a local water supply company not used?; why was a smaller tanker not used?; and why did CWS not bring in a second storage tank for Shandon to take excess water from the supply tanker, rather than just dumping water on the road? (This "temporary" situation has continued for 2-1/2 years.) The Shandon residents (myself included) expected CWS to follow up and answer these questions; and based upon statements by CWS representatives, we understood that CWS agreed to "look into" and respond to these concerns. As part of my brief discussion with Mr. Davis following the York County public hearing, I again raised these questions and asked him if CWS had made any progress in answering these concerns? Mr. Davis' response was to the effect that Davis Water Company offered better water quality and delivery control. (My apologies to Mr. Davis if I misheard or misunderstood his non-response to my question.) A miscommunication apparently occurred at the meeting, and the conclusion I drew from the exchange with Mr. Davis is that not only did CWS fail to provide Shandon residents with answers to their questions, but CWS failed to seriously consider the matters of excessive water supply costs, inefficiency of supply delivery, and the terrible waste of good water by dumping the excess supply loads. Shandon customers attended the May 30, 2017, meeting, in strong numbers, to gain information and exchange ideas. Through a failure to communicate with the residents, CWS leaves us with the impression that the meeting was actually a sham, meant to promote the image of CWS activity while failing to resolve Shandon's underlying water problems.

The residents of Shandon subdivision realize we are but one subdivision in York County out of 36 subdivisions receiving water and/or sewer services under management by Carolina Water Service; and our 71 households requiring water service, 38 of which are also sewer customers, represent a mere drop in the bucket compared to the 16,323 water and 13,575 sewer customer base CWS has scattered through the State of South Carolina. Yet no one cares more about the quality, efficiency, and expense of water and sewer services to any community than the residents who actually live there, regardless of how large or small the community may be. I am sure that Shandon is not the only subdivision suffering under CWS mismanagement.

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Matters under examination for a requested rate increase should be more than just dollar expenditures on a page or a line entry from a spreadsheet. It is important to the utility customer paying the bill to understand the reason for and the necessity of the expense; whether the expenditure benefits him or furthers his welfare; and to guestion what steps the service provider took, or could have taken, to either avoid or reduce the expenditure in the first place. As with the Shandon wastewater problem, CWS (and its predecessors under Utilities, Inc.) knew or should have known that there were serious problems developing with the Shandon water supply. As early as 1997, there is documentation and correspondence noting low output of water from the Shandon wells and episodes of contamination of the water supply. To date, Shandon water customers have not received any explanation for the underlying causes of the well failures. Problems such as Shandon is experiencing rarely happen overnight. While CWS may or may not be responsible for these underlying causes, CWS did fail in its duty to maintain and control the water supply in a reasonable manner and keep its Shandon customers apprised of the situation before it became catastrophic. Shandon water and wastewater customers are discerning consumers; they expect value for the money they pay for service and professional expertise. Carolina Water Service has not shown the quality of care and service with respect to Shandon water and sewer utilities as would justify yet another water and sewer base rate increase, as well as an increase in the commodities/usage fees for water.

The residents of Shandon Subdivision, under the past, present and continuing circumstances, request that they be given a proportionate refund and/or a continuing credit on the base water fees they have paid, and continue to pay, to CWS while under the CWS ban on their use of any outdoor water. Further, it is respectfully requested that the Commission DENY Carolina Water Service's request for water and sewer base rate increases and increases in commodities/usage fees; and DENY as well their request for establishment of a Utility System Improvement Rate program, all as set forth in this Docket No. 2017-292-WS.

Respectfully submitted,

Links H. Fice

Linda H. Fick

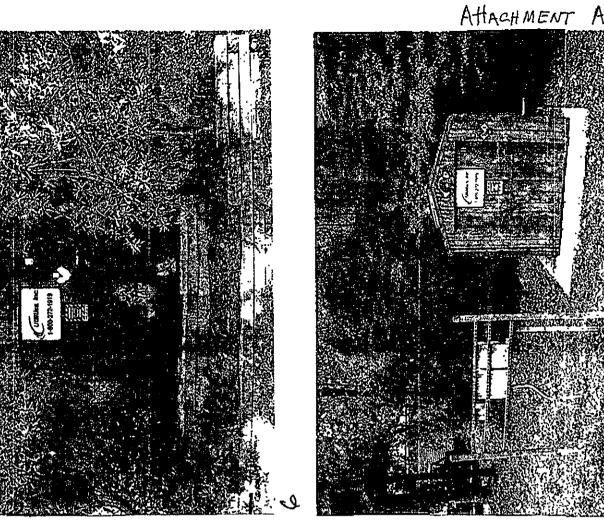
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**Enclosures: 3 Attachments** 

cc:w/encl. to: Ms. Florence P. Belser, State of

South Carolina Office of Regulatory Staff

Mr. Scott Elliott Mr. Charles Terreni Exhibit D, p.2







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Utilities, Inc.

Dear Shandon Customer.

As your local water provider, Carolina Water Service, Inc. ("CWS") strives to provide safe and reliable service to our customers. In November of 2015, one of the wells in your neighborhood became inoperable. We immediately removed this well from service and began seeking a new supply of water to meet the demand in the Shandon development. Since then, CWS has been working with our engineering firm, hydro-geologist, and DHEC to find a solution.

The Company has scheduled a community meeting for residents of the Shandon neighborhood. Company representatives will be on site explaining what has been done to date and what is currently planned to remedy the situation.

Please plan to attend to hear about what is going on in your neighborhood and get answers to any questions you may have regarding the situation.

The meeting will be held at 6:00 p.m. on May 30th at the location below:

## Friendship United Methodist Church 1200 Neely Store Road Rock Hill SC 29730

We look forward to meeting you and answering any questions you may have.

Sincerely

Michael Cartin

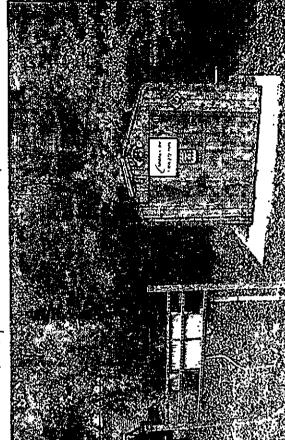
Operations and Regulatory Affairs Manager

Correction! Received 5/22/17

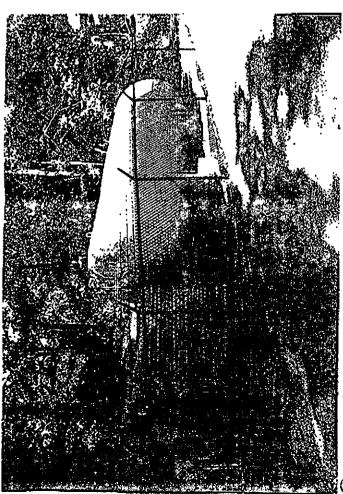
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Shortwell, 3031 Shardon Rd

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